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TAGS: [AORC](#) [PREL](#) [KNNP](#) [IAEA](#) [SP](#) [JA](#) [SI](#) [SF](#) [BE](#)  
SUBJECT: IAEA/DG RACE: BOARD MEETS THE FIVE CANDIDATES

REF: UNVIE 209 AND PREVIOUS

Classified By: Ambassador Gregory L. Schulte for reasons 1.4 b and d

Summary and Comment

11. (C) The five DG candidates each performed respectably at the informal Board session May 26 with no clear winner (full text of remarks emailed to Department.) Japanese candidate Amano tailored his intervention for G-77 consumption, highlighting that the IAEA should not be a nuclear watchdog but fulfill a "dual role." Amano's delivery was much improved. Minty gave the most personable presentation, harkening back to his childhood under apartheid and as a champion of South African disarmament, but he did not come across as someone who thought he could win. The substance of interventions by the three new European candidates was similar to those they made to the Western European and Others Group (WEOG) earlier this month (reftel). Spanish candidate Echavarri and Belgian Poncelet presented themselves as serious contenders and Slovenia's Petric did not rule himself out. In what may be an illustrative comment, Brazilian Ambassador opined privately that both Echavarri and Poncelet were persuasive and either would make an "acceptable" DG. To us, Echavarri was the more compelling of the two, drawing as he had with the WEOG on his 20 years of interaction with the IAEA. Echavarri also referred to Spain's experience as illustrative of the fact that a country does not need ENR technology to have nuclear power. During the Q&A, Australia asked a question intended to allow Amano to burnish his nonproliferation credentials, while an uncharacteristically restrained Iran asked about the Agency's shortcomings. In one response, Minty cited over-reliance on laboratories in advanced countries and the need to develop capacity elsewhere. Notably, none of the five candidates addressed the hard nonproliferation cases of Iran and DPRK, though Amano deeply regretted the DPRK's nuclear test. After the meeting, candidates made their campaign pitches to a gaggle of international press, which asked about Iran. Echavarri noted that while this was a matter for the UNSC, Iran should not miss the opportunity for negotiations. Echavarri told us privately the next day that the Iranian Mission in Madrid had complained about these remarks.

12. (C) On the margins of the meeting, there continued to be persistent expectations of a stalemate, a feeling that the "real" DG candidate had yet to come forward, and rumors that ElBaradei could be asked to extend his term. (Note: The IAEA

Statute stipulates a four year term for the DG. End Note.) The straw poll, now scheduled for June 9, will be the first concrete indicator of the candidates' support, though the fact that it is non-binding will taint the result. An unconfirmed date of July 2 or 9 is being floated for the election, apparently to placate the new candidates pushing for as late a date as possible. UNVIE advised the Secretariat that July is too late and contrary to the Board's "intent" in the procedures to make the appointment by June "at the latest." Echavarri has argued for holding the election in July to help Board members consolidate behind a consensus candidate in this round. End Summary and Comment.

#### Amano Plays to the G-77

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¶3. (C) Beginning in alphabetical order with Amano, the candidates each had 10 minutes to make presentations. Having learned from experience, Amano promised not to "bore" Board members by recapitulating his March presentation but focused on specific areas and shared his "vision" for the Agency. Prior to the meeting, he had warned us that his statement would be tailored to the G-77. Amano highlighted his extensive experience on disarmament issues as useful to the position of IAEA Director General and deeply regretted the DPRK's nuclear test. He emphasized that Technical Cooperation "deserves more attention" and better financing, citing the example of cancer therapy, which he proposed be the subject of the 2010 Scientific Forum. Amano also argued that the IAEA was "well placed" to assist countries seeking nuclear power and committed to "concrete progress" in this domain within four years to break the perception that nuclear technology is only for developed countries. Turning briefly to safeguards, Amano made a strong pitch for the urgency and importance of modernizing the Safeguards Analytical Laboratory (SAL), noting Japan's contribution of 6.9 million Euros.

¶4. (SBU) Amano concluded by sharing his vision for the Agency, arguing that it was "inaccurate" to view the IAEA as a "nuclear watchdog." Rather, the IAEA must balance a dual objective of promoting peaceful use of nuclear technology along with nonproliferation. Amano also stressed that he was well placed to reduce North-South tensions and his role as a consensus builder. To fulfill his vision of a "dual-objective organization," he emphasized the need to set achievable, short term targets (such as making progress on nuclear infrastructure within four years) and to improve management. He pledged to be an impartial, reliable and action-oriented Director General.

#### Echavarri Touts Experience

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¶5. (SBU) Echavarri began by stating that it would be an "honor" to succeed DG ElBaradei, who had vested the Agency with authority and credibility. Echavarri's vision for the IAEA was of an objective and independent organization, qualities he also ascribed to the role of the Director General. As to the political vice technical role of the DG, Echavarri emphasized the DG providing a factual basis for political judgments but not playing a negotiating role. He also noted that the DG should serve all countries. Echavarri cited his combination of technical and political experience in this regard. Among the IAEA's priorities, he saw technical cooperation as fundamental and supported regular budget funding. Echavarri argued that without safety and security there would be no future for nuclear power, but he did not support mandatory international standards. As to nonproliferation, he stipulated that implementation of the NPT have a core IAEA function and every country should have a Comprehensive Safeguards Agreement and Additional Protocol. In addition, he supported innovative approaches to the fuel cycle, including multinational enrichment centers and fuel banks. He also noted that the IAEA was not a party to disarmament negotiations but could be asked to play an implementing role.

¶6. (SBU) For the IAEA to be an efficient and effective organization, Echavarri emphasized management as the crux. He shared a high regard for the professional staff based on his 20 years of experience working with the IAEA, but saw room for improved coordination and clarification of objectives. Echavarri concluded by citing his political, technical and managerial expertise as making him well prepared for the position of DG. He pledged to serve only two terms.

#### Minty Gets Sentimental

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¶7. (SBU) Minty thanked the African Union for its support going into this new phase of the election. He hoped to measure up to DG ElBaradei and saw impartiality and integrity as imperative for the IAEA Director General. Minty highlighted South Africa's leadership on disarmament, nonproliferation and arms control issues and his own prominent role since the 1960s. He harkened back to Hiroshima and Nagasaki in calling for disarmament. Minty focused on technology transfer and technical cooperation, but also saw strengthened safeguards and nuclear safety as indispensable. Relating an anecdote from his youth in apartheid South Africa about standing outside a library while a white teacher brought him books on nuclear issues, he emphasized access to nuclear knowledge and placed education and training high on the new DG's agenda. Although the IAEA is not a development agency, he said, technical cooperation is a core activity. The IAEA also had a complementary (i.e., verification) role to play in disarmament, as it did in South Africa or potentially it may have on a Fissile Material Cut-off Treaty (FMCT.) He further emphasized the need for human and financial resources so as to not allow IAEA infrastructure to collapse. Minty concluded by resuming his prior campaign positions that the political role of the DG not be under-emphasized or over-emphasized, favoring consensus in an inclusive and comprehensive manner, and focusing on the promotion of nuclear energy or "atoms only for peace."

#### Petric the Underdog

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¶8. (SBU) Casting himself as the underdog, Petric apologized for not being in the position to visit capitals. He shared his vision of the IAEA as encompassing two main orientations "a great hope and a great fear" and identified his priorities. Petric saw the IAEA as a complex and sensitive agency and an important part of the UN System. While the IAEA was mainly a technical body, Petric opined that it would be "naive" to ignore that Board decisions have political implications and that the Director General could not just be a technocrat or bureaucrat. He attributed the success of the IAEA in all of its main pillars to the work of the Secretariat and ElBaradei's leadership. Among the priorities, safeguards was the most important and needed a solid legal basis (through the AP and CSAs) and technical and human capacity. He stressed the need for cooperation by all states, to include those that have safeguards issues. He advocated mandatory international safety and security standards but stressed that these be developed in partnership so as to not be seen by others as an obstacle to joining the nuclear club but as a "win-win." Beside the complex of safety, security and safeguards Petric noted a common interest in technical cooperation as "two sides of the same coin." Respecting the fact that TC was the number one priority for some countries was important to build confidence and gain their cooperation in other matters, he advised. He would not specify support for regular or voluntary funding for TC. Petric cited multilateral fuel supply as a final priority and recommended greater involvement by potential beneficiary countries to mitigate their concerns.

¶9. (SBU) Petric also explained the thinking behind his candidacy, noting that Slovenia had no interest in the DG position but had nominated him to help the Agency overcome the March impasse. He underlined that he would be a

consensual and independent DG not beholden to any national or regional interest and counseled against picking someone who would be "divisive from the beginning." Petric pledged close cooperation with the Board and to spend most of his time as DG in Vienna. A final commitment to serve one term since it was up to the Board to re-elect him or not in four years, elicited a chuckle from several Governors.

¶10. (C) In a private conversation with Ambassador Schulte after the Board meeting, Petric noted the importance of the straw poll and speculated that if Minty does not fare well, he, Petric, may get some of his support. Ambassador Schulte reiterated U.S. support for Amano and observed that Minty supporters could also gravitate to another European candidate. He cautioned that despite Petric's performance and qualifications, he may not get any votes in the straw poll, in which case his government would need to reevaluate his candidacy.

Poncelet the Francophone  
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¶11. (SBU) The last to speak, Belgian candidate Poncelet offered the Agency strong leadership and consensus on the Belgian model. He noted his technical, political and multilateral experience and stressed that he was not an industry lobbyist, having stepped aside from his position at Areva upon being nominated. Poncelet's platform consisted of promotion of nuclear energy consistent with the "3 S's" (safety, safeguards, security). He noted that building nuclear infrastructure would not happen overnight and required a long-standing effort and international support. Poncelet emphasized sensitivity to the Agency's nonproliferation mission and the DG's duty to report verified and multi-source information to the Board in a timely manner, so that the IAEA Board and UNSC can make the political calls.

He also focused on nuclear safety, including encouragement of binding international standards and support for newcomers in developing regulatory frameworks it took advanced states decades to establish. Poncelet also called for deeper cooperation and funding for nuclear security -- the only one of the candidates to mention prevention of nuclear terrorism -- and human and financial capital for safeguards, in addition to legal authorities. The Board Chair cut Poncelet off before he could address technical cooperation. Though a bit long-winded and lacking in broad vision, Poncelet performed respectably and augmented his delivery by switching into French.

Candidate Q & A  
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¶12. (SBU) Australia opened the Q & A by asking about the Agency's watchdog role and strengthening the nonproliferation regime, a question which gave both Amano and Minty an opportunity to highlight their long experience on Nonproliferation. Minty cited securing an indefinite extension of the NPT at the 1995 Prepcom and his work on a NWFZ in Africa. Echavarri noted that his 35 years of experience on nuclear power included attention to nonproliferation, and he held up Spain as a model for nuclear power without ENR technology sending a message to the world. He also reiterated support for all states having CSAs and APs and noted the need for accurate, objective and timely DG reports on verification issues, which he was well equipped to deliver given his experience managing technical experts. Petric could not say that he had personally contributed to nonproliferation but cited the Agency's successes and shortcomings (Iran, DPRK) and the need for CSAs and APs, safeguards technology and manpower. Poncelet gave a similar answer about helping the Agency apply nonproliferation rules including through technology, intelligence, imagery and information gathering.

¶13. (SBU) In an uncharacteristically short and non-provocative question, Iran asked about the Agency's shortcomings, a question also asked by the UK. Mexico also asked about concrete measures to improve Agency financial

management. Poncelet supported budget saving through increased efficiency while recognizing that the IAEA was asked to undertake new responsibilities. He suggested learning from industry best practices and streamlining management of the TC program in particular. Petric committed to management as his first priority and proposed an internal study within six months of taking office. He acknowledged the precarious financial situation of the IAEA in a time of financial crisis but suggested a five to six year stabilization plan rather than a "big jump" in the budget. Minty focused on the "critically important" need to improve technology transfer to the developing world, including via synergies with other international organizations and anti-poverty programs. He further suggested that in lieu of using laboratories in advanced countries, the Agency should promote building centers of excellence in the developing world. Echavarri did not support change for change's sake but from his 20 years experience with the IAEA he saw a need for greater clarity of objectives and horizontal cross-fertilization between departments. One of the first things he had done at the OECD Nuclear Energy Agency was to formulate a strategic plan that resulted in a 10 percent budget cut and 20 percent reduction of staff, he noted; the reformed agency, he said, had performed so well that member states gradually expanded it to beyond the size from which he originally cut it. Amano returned to his overall theme of the IAEA's biggest "shortcoming" being the fact that it is perceived as a nuclear watchdog rather than a "dual purpose" organization as stipulated in the Statute. He also cited the failure to set achievable objectives in defined timeframe, and repeated his commitment to renovation of SAL, cancer therapy and making progress on building nuclear infrastructure within four years.

Mr. Plan B Says He's in to Win  
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¶14. (C) In a private May 27 lunch with the Ambassador and DCM, Echavarri reiterated his message that "my agenda is your agenda" and argued that he was much better positioned than Amano to heal the rifts inside the IAEA board and advance the U.S. agenda at the agency. Ambassador made clear that the U.S. is supporting Amano at the highest levels, but also sought to probe Echavarri on his own intentions. The Spanish candidate stated that he would be pleased with 4 or 5 votes in the initial rounds, and suggested he might even get as many as ten by picking up "2 or 3 Latins, 2 or 3 in Europe, and 2 or 3 among Russia, China and India." Echavarri departs May 28 for Moscow, Beijing and Delhi, and then plans visits to EU capitals, followed by a long swing (after the June 9 straw poll) through Brazil, Argentina, Uruguay, Ecuador, Cuba, Mexico, Canada and hopefully the U.S.

¶15. (C) Echavarri argued that Minty's sole agenda at this stage is to block Amano and indicated his hope that the South African could be persuaded to drop out of the race at some point this summer. Echavarri argued for the latest possible polling date, indicating he needs more time to make his case as a consensus candidate. He was untroubled by the other two European candidates, and expected them to drop out early, with a good possibility in his assessment of a head-to-head Amano-Echavarri final round. Echavarri said that it all depends on the United States; if we shifted our support from Amano to him, he argued, many would follow.

¶16. (C) Echavarri reported that ElBaradei had offered him the position of Deputy Director General for Safeguards ("before that Finnish guy") with the promise that it would set him up to run as ElBaradei's successor. Echavarri recalled that he turned down that offer because he expected it would draw him into conflict with ElBaradei over the content of safeguards reports on Iran (where Echavarri argued for the IAEA to call it straight). He ruled out any deal between Spain and Japan over IAEA leadership positions, and indicated that if he is not elected DG he will return to the NEA with the hope of eventually securing a senior position in the Spanish government.

¶17. (C) Comment: Echavarri came across as extremely confident and committed to stay in the campaign for as long as it takes. Although he did not share any specific commitments, he was optimistic that he would pull down enough votes in the early rounds to prove his viability as a consensus candidate.

"I know I must break Amano," he added, "but if I can win a few the rest will crumble." Ambassador offered to convey Echavarri's proposal to visit Washington around the end of June, but also noted that we have rebuffed other such requests. Mission recommends that we defer any decisions on how to handle this request until after the June 9 straw poll, which will provide insight into Amano's likelihood of success.

SCHULTE